

# House Amendment 8265

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1 1 Amend House File 2743 as follows:  
1 2 #1. Page 1, by inserting before line 1 the  
1 3 following:  
1 4 <DIVISION I>  
1 5 #2. Page 10, by inserting after line 16 the  
1 6 following:  
1 7 <DIVISION II  
1 8 Sec. \_\_\_\_\_. Section 12.65, subsection 1, Code 2005,  
1 9 is amended to read as follows:  
1 10 1. A healthy Iowans tobacco trust is created in  
1 11 the office of the treasurer of state. Moneys  
1 12 transferred to the healthy Iowans tobacco trust from  
1 13 the endowment for Iowa's health account of the tobacco  
1 14 settlement trust fund established in section 12E.12  
1 15 and appropriated or transferred from any other source  
1 16 shall be deposited in the healthy Iowans tobacco  
1 17 trust. Additionally, proceeds derived from payment of  
1 18 taxes pursuant to section 453A.6, subsection 1,  
1 19 paragraph "a", subparagraph (2); section 453A.6,  
1 20 subsection 1, paragraph "b", subparagraph (2); section  
1 21 453A.43, subsection 1, paragraph "b"; and section  
1 22 453A.43, subsection 2, paragraph "b", shall be  
1 23 credited to the healthy Iowans tobacco trust.  
1 24 Sec. \_\_\_\_\_. Section 453A.6, subsection 1, Code 2005,  
1 25 is amended to read as follows:  
1 26 1. There is imposed, and shall be collected and  
1 27 paid to the department, the following taxes on all  
1 28 cigarettes used or otherwise disposed of in this state  
1 29 for any purpose whatsoever:  
1 30 a. CLASS A.  
1 31 (1) On cigarettes weighing not more than three  
1 32 pounds per thousand, ~~eighteen mills one and~~  
1 33 eight-tenths cents on each such cigarette.  
1 34 (2) In addition to the tax imposed in subparagraph  
1 35 (1), on cigarettes weighing not more than three pounds  
1 36 per thousand, three and two-tenths cents on each  
1 37 cigarette.  
1 38 b. CLASS B.  
1 39 (1) On cigarettes weighing more than three pounds  
1 40 per thousand, ~~eighteen mills one and eight-tenths~~  
1 41 cents on each such cigarette.  
1 42 (2) In addition to the tax imposed in subparagraph  
1 43 (1), on cigarettes weighing more than three pounds per  
1 44 thousand, three and two-tenths cents on each  
1 45 cigarette.  
1 46 Sec. \_\_\_\_\_. Section 453A.35, Code 2005, is amended  
1 47 to read as follows:  
1 48 453A.35 TAX AND FEES PAID TO GENERAL FUND.  
1 49 The proceeds derived from the sale of stamps and  
1 50 the payment of taxes, fees and penalties provided for  
2 1 under this chapter, and the permit fees received from  
2 2 all permits issued by the department, with the  
2 3 exception of the proceeds derived from payment of  
2 4 taxes pursuant to section 453A.6, subsection 1,  
2 5 paragraph "a", subparagraph (2); section 453A.6,  
2 6 subsection 1, paragraph "b", subparagraph (2); section  
2 7 453A.43, subsection 1, paragraph "b"; and section  
2 8 453A.43, subsection 2, paragraph "b", which shall be  
2 9 credited to the healthy Iowans tobacco trust created  
2 10 in section 12.65, shall be credited to the general  
2 11 fund of the state. All permit fees provided for in  
2 12 this chapter and collected by cities in the issuance  
2 13 of permits granted by the cities shall be paid to the  
2 14 treasurer of the city where the permit is effective,  
2 15 or to another city officer as designated by the  
2 16 council, and credited to the general fund of the city.  
2 17 Permit fees so collected by counties shall be paid to  
2 18 the county treasurer.  
2 19 Sec. \_\_\_\_\_. Section 453A.40, subsection 1, Code  
2 20 2005, is amended to read as follows:  
2 21 1. All of the following persons shall be subject  
2 22 to an inventory tax on the following items as provided  
2 23 in this section:  
2 24 a. All persons required to be licensed obtain a

2 25 permit under section 453A.13 as distributors or to be  
2 26 licensed under section 453A.44 as a distributor or  
2 27 subjobber, having in their possession and held for  
2 28 resale on the effective date of an increase in the tax  
2 29 rate cigarettes, or little cigars, or tobacco products  
2 30 upon which the tax under section 453A.6 or 453A.43 has  
2 31 been paid, unused cigarette tax stamps which have been  
2 32 paid for under section 453A.8, or unused metered  
2 33 imprints which have been paid for under section  
2 34 453A.12 shall be subject to an inventory tax on the  
2 35 items as provided in this section.

2 36 b. All consumers having for use or storage on the  
2 37 effective date of an increase in the tax rate, tobacco  
2 38 products upon which the tax under section 453A.43 has  
2 39 been paid.

2 40 c. All consumers subject to section 453A.46,  
2 41 subsection 6, who have acquired title to or possession  
2 42 of tobacco products for storage in this state, upon  
2 43 which tobacco products the tax imposed by section  
2 44 453A.43 has not been paid.

2 45 Sec. \_\_\_\_. Section 453A.43, subsections 1 and 2,  
2 46 Code 2005, are amended to read as follows:

2 47 1. a. A tax is imposed upon all tobacco products  
2 48 in this state and upon any person engaged in business  
2 49 as a distributor of tobacco products, at the rate of  
2 50 twenty-two percent of the wholesale sales price of the  
3 1 tobacco products, except little cigars as defined in  
3 2 section 453A.42.

3 3 b. In addition to the tax imposed under paragraph  
3 4 "a", a tax is imposed upon all tobacco products in  
3 5 this state and upon any person engaged in business as  
3 6 a distributor of tobacco products, at the rate of  
3 7 thirty-three percent of the wholesale sales price of  
3 8 the tobacco products, except little cigars as defined  
3 9 in section 453A.42.

3 10 c. Little cigars shall be subject to the same rate  
3 11 of tax imposed upon cigarettes in section 453A.6,  
3 12 payable at the time and in the manner provided in  
3 13 section 453A.6; and stamps shall be affixed as  
3 14 provided in division I of this chapter.

3 15 d. The tax taxes on tobacco products, excluding  
3 16 little cigars, shall be imposed at the time the  
3 17 distributor does any of the following:

3 18 a- (1) Brings, or causes to be brought, into this  
3 19 state from without the state tobacco products for  
3 20 sale.

3 21 b- (2) Makes, manufactures, or fabricates tobacco  
3 22 products in this state for sale in this state.

3 23 c- (3) Ships or transports tobacco products to  
3 24 retailers in this state, to be sold by those  
3 25 retailers.

3 26 2. a. A tax is imposed upon the use or storage by  
3 27 consumers of tobacco products in this state, and upon  
3 28 the consumers, at the rate of twenty-two percent of  
3 29 the cost of the tobacco products.

3 30 b. In addition to the tax imposed in paragraph  
3 31 "a", a tax is imposed upon the use or storage by  
3 32 consumers of tobacco products in this state, and upon  
3 33 the consumers, at a rate of thirty-three percent of  
3 34 the cost of the tobacco products.

3 35 c. The tax taxes imposed by this subsection shall  
3 36 not apply if the tax taxes imposed by subsection 1 on  
3 37 the tobacco products has have been paid.

3 38 d. This tax The taxes imposed under this  
3 39 subsection shall not apply to the use or storage of  
3 40 tobacco products in quantities of:

3 41 a- (1) Less than 25 cigars.

3 42 b- (2) Less than 10 oz. snuff or snuff powder.

3 43 c- (3) Less than 1 lb. smoking or chewing tobacco  
3 44 or other tobacco products not specifically mentioned  
3 45 herein, in the possession of any one consumer.

3 46 Sec. \_\_\_\_. EFFECTIVE DATE. The sections of this  
3 47 division of this Act amending section 12.65; section  
3 48 453A.6, subsection 1; section 453A.35; section  
3 49 453A.40, subsection 1; and section 453A.43,  
3 50 subsections 1 and 2, being deemed of immediate  
4 1 importance, take effect on the first day of the month  
4 2 that begins following enactment of this Act.>

4 3 #3. By renumbering as necessary.

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4 7 FOEGE of Linn  
4 8 HF 2743.702 81  
4 9 pf/gg/4104